

NORTH DAKOTA DEPARTMENT OF TRANSPORTATION

SPECIAL PROVISION

FUEL COST ADJUSTMENT CLAUSE

April 12, 2002

PROJECT NO. _____

This Special Provision provides for limited increased costs of motor fuels used to perform contract work. This Special Provision does not apply to burner fuel (ie. Propane, natural gas, fuel oil, used motor oil). It applies to motor fuel only

Any motor fuel cost compensation adjustment will be determined by the Department according to the following provisions. The Bidder will use these provisions for compensation adjustments when determining unit prices for the work.

The Department has established a Total Fuel Requirement and a Base Price Index for this contract. Fuel Cost Adjustments will be based on the estimated fuel requirements established for this contract as shown below, (except as otherwise provided herein for extra work, and changed quantities) or the total invoice quantity of motor fuel, whichever is less.

1. Total Motor Fuel Requirement. The estimated fuel requirements include motor fuels (diesel and gasoline). The estimated fuel requirements established for this contract is:

Motor Fuels (#2 diesel and gasoline) _____ Gallons

- a. Prime Contractors must apply for the fuel cost adjustments to be eligible for additional payments. The fuel cost adjustment application form is included in this S.P. No adjustment will be made without a properly submitted application. All adjustments will be paid directly to the prime contractor.

2. Base Price Index. The motor fuel Base Price Index established for this contract are as follows:

Motor Fuels (#2 diesel and gasoline). _____ Per Gallon

3. Average Wholesale Price. The Department will determine a monthly average wholesale price for motor fuels for each calendar month beginning January 1 of each year during the time allowed for completion of the contract.

- a. The Average Wholesale Price of motor fuels for each calendar month will be determined from the weekly price postings from a source determined by the Department.

4. Fuel Allocation Schedule. The rate at which the established fuel requirement for the

contract is allocated for cost adjustment will be based on the percent of original contract amount (in dollars) earned to date at the end of each calendar month, in accordance with the following schedule:

| | | | | | | | | | | | | |
|---|---------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|------------|
| % Original contract Amount earned to Date | 0 to 10 | 10 to 20 | 20 to 30 | 30 to 40 | 40 to 50 | 50 to 60 | 60 to 70 | 70 to 80 | 80 to 90 | 90 to 95 | 95 to 105 | 105 and up |
| % of Fuel Requirement Allocated to Date | 0 | 20 | 30 | 40 | 50 | 60 | 70 | 80 | 90 | 95 | 100 | * |

*(see paragraph 7b)

5. Fuel Compensation Adjustments. The compensation adjustments for fuel costs will be computed on a monthly basis. The gallons of fuel allocated to that month will be multiplied by the difference between the monthly average wholesale price for that month and the Base Price Index established for the contract, as expressed by the following formula:

$$FCA = MFA \times (AP - BP)$$

where:

- FCA = Fuel Cost Adjustment for Calendar Month
- MFA = Monthly Fuel Allocation (in gallons)
= Fuel Allocation to Date less fuel allocation on previous monthly adjustments
- AP = Average Wholesale Price for Calendar Month
- BP = Base Price Index

6. Fuel Cost Deductions. If the monthly Average wholesale Price (AP) for any calendar month shows a decrease from the Base Price index (BP), resulting in a minus value for the Fuel Compensation Adjustment (FCA), deductions for decreased cost will be made only to the extent of any increased compensation provided for under the provisions.

7. Extra Work or Changed Quantities. The above provisions for determining motor fuel cost adjustments apply only to the original contract quantities. No changes will be made in the quantity of fuel allocated to the contract for cost adjustment, except as follows:

- a. If the final contract amount is less than 95% of the original contract amount (in dollars), the Total Fuel Allocation will be in accordance with the percent of original contract earned as shown in the Fuel Allocation Schedule, paragraph 4.
- b. If the final contract amount exceeds the original contract amount by more than 5%, the Total Fuel Requirement may be adjusted for Added Contract Items, or for that portion of a contract item (items used in determining total fuel requirement) which exceeds original plan quantity by more than 5%. Such adjustments will be made only to the extent specifically provided by

change order.

8. Termination of Fuel Cost Adjustment Clause. The provisions of this fuel cost adjustment clause will be terminated when the time specified for completion of the contract has elapsed, except when the clause is specifically extended by change order to compensate for delays beyond the control of the Contractor, or to provide additional time to complete extra work or increase quantities.
9. Fuel Cost Application Requirement. The contractor must provide documentation in the form of fuel invoices with quantity and price of the motor fuel used on the project along with the fuel cost adjustment application. The fuel cost adjustment application must be completed with all applicable data, and signed by the prime contractor before any adjustment will be made. The adjustment will be paid directly to the prime contractor. The quantity and price for the adjustment will still be calculated using the FCA formula in this SP with fuel allocation, and monthly average wholesale price data. The total fuel adjustment quantity shall not exceed the quantity shown in Part 1 or the total invoice quantity which ever is less. The contractor will be required to break down the fuel usage by major items o
 1. Grading
 2. Base
 3. Paving
 4. Structure
 5. Seal Coat (over 25 miles)
 6. Other